IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

Crl.Misc. No.9581-M of 2007
Date of Decision:- 05.09.2007

Anil Kumar Sareen & others ....Petitioner(s)

through
Mr.Yogesh Goel, Advocate

vs.

State of Punjab & others ....Respondent(s)

through
Mr.Rajesh Bhardwaj, DAG, Punjab for No.1.

Mr.Subh C. Sharma, Advocate for No.2.

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CORAM:-HON'BLE MR.JUSTICE SURYA KANT.

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1) Whether Reporters of the local papers may be allowed to see the judgment?
2) To be referred to the Reporters or not?
3) Whether the judgment should be reported in the Digest?

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SURYA KANT, J. (ORAL)

The prayer in this petition is for quashing of F.I.R.No.65 dated 25.8.1999 under Sections 406/420 IPC registered at Police Station Division No.2, Ludhiana (Annexure P-1) as also the order (Annexure P-2) whereby charge under Section 406 IPC has been framed against the petitioner, along with all consequential proceedings arising therefrom.

The above-stated F.I.R. was registered on a complaint made by the State Bank of Hyderabad-respondent No.2.

In sum and substance, the allegation against the petitioners was that in their capacity as Directors of M/s Wonder Knitwear Ltd., they had dishonestly sold off the hypothecated goods without discharging the loan

liability arising out of Cash Credit Facility advanced by the Bank.

The petitioners have come up for quashing of the above-stated F.I.R. and the subsequent proceedings arising therefrom on the ground that a settlement has been arrived at between the parties before the Debt Recovery Tribunal and now nothing is to be recovered from the petitioners.

Notice of motion was issued and in response thereto, respondent No.2-the complainant Bank has filed its reply and in para 12 thereof, it is duly acknowledged that the loan amount has since been paid by the petitioners and nothing remains recoverable from them.

From the nature of allegations contained in the F.I.R. and the fact that the cause of controversy was the petitioners' failure to discharge their loan liability, it appears that the dispute was essentially of civil nature which has since been amicably resolved through the settlement arrived at between the parties.

In this view of the matter, I am satisfied that the continuation of the impugned criminal proceedings would be an exercise in futility as also against the interest of peace and harmony in society. The criminal proceedings are likely to affect the commercial interest of the Bank also. The continuation of the impugned criminal proceedings, thus, would be detrimental to the interest of both the parties.

For the reasons aforestated and in the light of the principles laid down by a Full Bench of this Court in the case of **Kulwinder Singh and others** vs. **State of Punjab and another,** vide order dated 8.8.2007 passed in Crl.Misc.Petition No.33016-M of 2007, the F.I.R.No.65 dated 25.8.1999 under Sections 406/420 IPC registered at Police Station Division No.2,

Ludhiana (Annexure P-1) as also the order (Annexure P-2) whereby charge under Section 406 IPC has been framed against the petitioners along with all consequential proceedings arising therefrom are hereby quashed.

Disposed of.

September 05, 2007 **(SURYA KANT)**
poonam **JUDGE**